

Application No.: 10/627,754

Docket No.: 01936.0009.NPUS01

REMARKS

Applicant has carefully reviewed the Office Action mailed May 12, 2005. Claims 1, 4, 5, 8-11, 15, 17, 19-25, 29-30 and 32 have been amended. New independent claim 33 has been added. Claims 2, 16, and 31 have been cancelled. As a result claims 1, 3-15, 17-30 and 32-33 are pending. Applicant respectfully requests reconsideration of the present application in view of the following remarks. No new matter has been added.

I. Claim Rejections – 35 U.S.C. § 101

Claims 1-32 were rejected under 35 U.S.C. §101 because the claimed invention is allegedly directed to non-statutory subject matter. Specifically, the Examiner asserts that claim 1 and its associated dependent claims recite an online system for bidding, but that none of the limitations are components of a system and that the system must comprise at least two tangible constituent components which cooperate to carry out an intended function. Claim 29 and its associated dependent claims were stated as having no statutory class. Finally, claims 15 through 28 were rejected as being directed to non-statutory subject matter. Applicant respectfully traverses the rejection of claims 1-32 because the Examiner has misinterpreted the statutory requirements of 35 U.S.C. §101.

Section 101 states that “Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.” On its face, Section 101 does not require that the claimed invention “promote the ‘progress of science and the useful arts,’” as asserted by the Examiner. Accordingly, the Section 101 rejection of claims 1-32 should be withdrawn at least because the bases for the rejection are simply not supported by the plain language of the statute.

Nevertheless, the claims have been amended to improve readability and to provide enhanced internal consistency. It is believed that the amendments address the Examiner’s concerns. With respect to independent claim 1, for example, the preamble now provides exemplary environmental background in the form of “an online auction service system for enabling bidding over a computer network by remotely located bidders utilizing computing devices for receiving information to be provided to a bidder and transmitting bid information of

Application No.:10/627,754

Docket No.: 01936.0009.NPUS01

the bidder.” Independent claim 15 more explicitly ties the action of the method steps to select utilization of the computer network. For example, the first paragraph recites “offering over the network”. Claim 29 has been amended to recite a method for conducting an auction over a computer network and it also includes interaction between the recited steps and the network. As a result of the comments and the amendments made, it is respectfully requested that the rejections pursuant to section 101 be withdrawn.

II. Claim Rejections – 35 U.S.C. § 112

The Examiner gives representative examples of inconsistencies within the claims. The claims have been substantially amended to provide enhanced internal consistency, and to address both the Examiner’s examples as well as additional issues found while reviewing the claims. The amendments made to improve internal consistency do not restrict the claim scope. If the Examiner has any remaining concerns upon consideration of the amended claims with respect to Section 112, the courtesy of a discussion to address such concerns is respectfully requested.

III. Claim Rejections – 35 U.S.C. § 102

Claims 1 and 15 were rejected as being anticipated by Publication No. 2001/0037281 to French et al. (“French”). Applicant respectfully disagrees. As a preliminary matter, in applying French to claims 1 and 15, the Examiner merely states that “French discloses...” and then quotes the language of claim 1, referencing broad portions of French as alleged support for the rejection. Thus, the Examiner’s specific positions with respect to French and numerous specific claimed features remain unclear. As a result, Applicant respectfully requests that if the Examiner were to maintain the rejections in light of the amendments and arguments made below, that additional clarity be provided to assist in understanding the Examiner’s position.

Nevertheless, French has been carefully considered and the claimed invention is substantially different from the teachings of French. Most significantly, while French relates to two different phases with respect to the sale of products of goods and services, the price results of the first phase do not carry over to the second phase. In French, during a request-for-quote (“RFQ”) phase, a consumer indicates a desire to purchase a product or service by submitting a

Application No.:10/627,754

Docket No.: 01936.0009.NPUS01

RFQ, and sellers respond by submitting price quotes and related information. Paragraph [0030]. Significantly, however, there is absolutely no teaching that any pricing information submitted during the RFQ phase will be binding on either the submitter or the consumer asking for the quotes. Instead, once the quotes are submitted, French teaches the consumer reviewing the submissions and then determining which of them will be permitted to proceed to the next stage. While pricing may be a consideration, French also teaches that the "customer, before making its final choice of carriers {may} query the broker as to any qualifications or explanations which may have been provided with one or more of the initial quotes." Paragraph [0040]. With respect to Figure 2 French further teaches the following:

In step 1116, the customer would then select and transmit to the broker interface via line 112 a "slate" of finalists, or carriers who had submitted the n best initial quotes in step 1113. As an example, if the customer had chosen seven carriers to submit initial quotes, and after step 1113 only felt that four of those carriers had submitted acceptable bids and should therefore compete against one another in the auction phase (Phase II) of step 1120, then he would so indicate in step 1116.

Paragraph [0040]. Moreover, French only permits the single submission of a quote during the RFQ phase. There is no bidding that takes place during this phase. As noted in paragraph [0040] of French, competition between bidders does not take place until the actual auction phase.

In contrast to French, independent claims 1 and 15, as amended, first teach an actual bidding process during the first phase of the auction. Prices increase during this phase as bids are placed, resulting in a final preliminary bid. Only a single price, which is non-binding, is submitted in French during the RFQ phase. Further, unlike in French, the final preliminary bid shall be the final successful bid unless a higher bid is received during the real-time auction phase. There is no choice or selection process made by the consumer or customer as to the acceptability of one or more bidders. As recited in claim 1, "a successfully dynamic bid on each item is greater than the final preliminary bid for the item received during the preliminary bidding

Application No.: 10/627,754

Docket No.: 01936.0009.NPUS01

component.” Similarly, in claim 15 the claim recites the step of “identifying the final successful bid as one of the final preliminary bid and the at least one dynamic bid.” For at least these reasons, claims 1 and 15 are patentably distinct over French.

Newly added independent claim 33 includes the same limitations discussed above with respect to claim 1, except applicable to at least one item. Thus, it is patentably distinct for the same reasons.

IV. Claim Rejections – 35 U.S.C. § 103

The Examiner rejected claims 2-14, 16-28 and 29-32 as being unpatentable over French (as applied to claim 1) and further in view of official notice. As a preliminary matter, independent claim 29 has been amended in a manner similar to the amendments to claims 1 and 15. For example, the first auction portion includes bidding resulting in a first auction portion high bid that is at least equal to a final successful bid. As a result, claim 29 is patentable over French for at least the same reasons discussed above with respect to independent claims 1 and 15.

With respect to the taking of Official Notice, Applicant respectfully requests that the Examiner provide the basis to support the taking of such notice if any rejections relying on official notice were to be maintained. As clearly dictated by the MPEP and supporting authority, it is “not [] appropriate for the examiner to take official notice of facts without citing a prior art reference where the facts asserted to be well known are not capable of instant and unquestionable demonstration as being well-known.” MPEP 2144.03 (emphasis in original).

With respect to the various dependent claims, they are independently patentable even though they are patentable merely by virtue of their relationship to an independent claim. For example, claim 5 recites “a countdown timer displayed on a screen of each remotely located bidder during the dynamic auction component, the countdown timer used to inform each bidder of a running time remaining until the item can no longer be bid on.” No such teaching is found in the prior art of record. Claim 6 further provides that “the countdown timer resets in response

Application No.:10/627,754

Docket No.: 01936.0009.NPUS01

to a bid being input.” Claim 7 recites “a means for alerting bidders during the dynamic auction component that a specific item of interest is nearly ready to be offered for auction.” No reference to a specific teaching has been found in the prior art of record. Claims 8-12 depend from claim 7 and further recite means for alerting bidders in a dynamic auction environment, which is not taught in the prior art of record. Claim 13 provides that “bids in excess of a preestablished bid increment are treated as proxy bids”, which is not shown in the prior art by the Examiner. Similarly, the prior art fails to teach the limitations of claim 14, which provides that “proxy bids by the high bidder during the preliminary bidding component are carried over to the dynamic auction component.”

Applicant respectfully requests that if the Examiner elects to maintain these assertions of Official Notice in combination with French, that the Examiner provide evidence and analysis in support of the associated positions.

Finally, because the Examiner has neither applied any prior art nor taken Official Notice with respect to claims 30 and 32, Applicant assumes that the Examiner considers that these claims recite allowable subject matter.

Application No.: 10/627,754

Docket No.: 01936.0009.NPUS01

V. Conclusion

In view of the above, each of the presently pending claims in this application is believed to be in condition for allowance. Accordingly, the Examiner is respectfully requested to pass this application to issue.

It is believed that any additional fees due with respect to this paper have already been identified in any transmittal accompanying this paper. However, if any additional fees are required in connection with the filing of this paper that are not identified in any accompanying transmittal, permission is given to charge account number 18-0013 in the name of Rader, Fishman and Grauer PLLC. If the Examiner has any question or comments, she is kindly urged to call the undersigned to facilitate prosecution.

Dated: August 15, 2005

Respectfully submitted,

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